

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO et al.,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

ORDER DENYING MOTION FOR JOINDER OF CREDITOR R&D MASTER
ENTERPRISES, INC. TO: (A) MOTION TO DISQUALIFY MCKINSEY &
COMPANY, INC. AND ITS AFFILIATES (DOC. NO. 20,873), AND (B) MOTION
TO DISQUALIFY THE LAW FIRM O'NEILL & BORGES LLC (DOC. NO. 22,025)

The Court has received and reviewed the *Motion for Joinder of Creditor R&D Master Enterprises, Inc. to: (A) Motion to Disqualify McKinsey & Company, Inc. and Its Affiliates (Doc. No. 20,873), and (B) Motion to Disqualify the Law Firm O'Neill & Borges LLC (Doc No. 22,025)* (Docket Entry No. 22835 in Case No. 17-3283) (the “Joinder Motion”), filed by R&D Master Enterprises, Inc. (“R&D”).

The Joinder Motion purports to “affirm[] and restate[] all allegations set forth in” certain court filings, including (i) the *Motion to Intervene and to Inform the Existence and Continuance of an Unresolvable Conflict of Interest in Violation of the Puerto Rico Recovery*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Accuracy in Disclosures Act of 2021, 48 U.S.C. 2101 et seq., and Petition for: (A) the Permanent Disqualification of O'Neill & Borges, LLC as Legal Counsel to the Financial Oversight and Management Board for Puerto Rico, and (B) the Disallowment and Disgorgement of Legal Fees (Docket Entry No. 20873) (the "O&B Disqualification Motion"), and (ii) the Motion to Intervene and to Inform the Existence and Continuance of Unresolvable Conflicts of Interest in Violation of the Puerto Rico Recovery Accuracy in Disclosures Act of 2021, 48 U.S.C. 2101 et seq., and Petition for: (A) the Permanent Disqualification of McKinsey & Company, Inc. and Its Affiliates as Advisors to the Financial Oversight and Management Board for Puerto Rico, and (B) the Disallowment and Disgorgement of Legal Fees (Docket Entry No. 22025) (the "McKinsey Disqualification Motion" and, together with the O&B Disqualification Motion, the "Disqualification Motions"), each of which was filed by Carlos Lamoutte ("Lamoutte").

The Disqualification Motions have been fully briefed by the parties and remain sub judice. The briefing of those motions included a substantial focus on arguments concerning Lamoutte's standing to prosecute the Disqualification Motions. Additionally, the list of filings that R&D "affirms and restates" includes pleadings that have been stricken or terminated by the Court. (See, e.g., Docket Entry Nos. 21572, 21854.) Accordingly, the precise scope of the relief ultimately being sought by R&D is not clear, and granting or briefing the Joinder Motion at this juncture would introduce "additional and otherwise unnecessary procedural complications [that] will not promote an efficient and prompt disposition" of the underlying issues raised in the Disqualification Motions. In re Bluffton Castings Corp., 224 B.R. 902, 904 (Bankr. N.D. Ind. 1998) (exercising discretion to deny request by trustee for joinder to cure movants' lack of standing).

Accordingly, the Joinder Motion is denied without prejudice to R&D's rights to bring its own motion(s) seeking disqualification of, or other appropriate relief against, O'Neill & Borges LLC and/or McKinsey & Company, Inc. Any such motion(s) should state fully the factual and legal bases supporting the relief sought therein and not incorporate prior filings or arguments by reference.

This Order resolves Docket Entry No. 22835 in Case No. 17-3283.

SO ORDERED.

Dated: November 10, 2022

/s/ Laura Taylor Swain
LAURA TAYLOR SWAIN
United States District Judge